



WIFIA Application Instructions

The U.S. Environmental Protection Agency (EPA) will invite selected applicants to submit an application for Water Infrastructure Finance and Innovation Act (WIFIA) loans. Unsolicited applications will not be considered. Following selection, each selected applicant will be assigned a transaction team led by an underwriter. The transaction team can answer the applicant's questions regarding the application form, its attachments, and the project review, negotiation, and closing processes.

The applicant should answer all questions in this form. It may indicate if a requirement is not applicable to its project. Narrative answers can reference source documents by including the name of the document and relevant pages or sections and providing any referenced documents as attachments. The applicant must sign the Certification in the appropriate space and submit a scanned version of the signature pages to EPA. If the applicant anticipates a delay in one or more source documents, it should discuss the situation with its transaction team and indicate the anticipated date of submitting that document in the application. Additionally, the applicant is required to notify and submit to EPA any updated application materials that become available during the review period. EPA may request additional items from applicants on a case-by-case basis.

The applicant may assert a Confidential Business Information (CBI) claim covering part or all of the information submitted to EPA as part of its letter of interest, in a manner consistent with 40 C.F.R. 2.203, 41 Fed. Reg. 36902 (Sept. 1, 1976), by placing on (or attaching to) the information a cover sheet, stamped or typed legend, or other suitable form of notice employing language such as trade secret, proprietary, or company confidential. The applicant should also state whether it desires confidential treatment until a certain date or until the occurrence of a certain event. Information covered by a business confidentiality claim will be disclosed by EPA only to the extent and only by means of the procedures set forth under 40 C.F.R. Part 2, Subpart B. Information that is not accompanied by a business confidentiality claim when it is received by EPA may be made available to the public by EPA without further notice to the applicant. More information about CBI is available in the WIFIA program handbook and frequently asked questions (FAQ) available at <http://www.epa.gov/wifia>.

The applicant must submit a non-refundable application fee. The application fee is \$25,000 for an application for a project serving small communities (population of not more than 25,000 people). For all other project applications, the application fee is \$100,000. For further information regarding the application fee, as well as the credit processing fee which will be charged at loan closing, and any other applicable fees, please see the [WIFIA fee rule](#).

WIFIA Application Submission

The final application submission must include:

1. Completed application form;
2. All attachments requested and referenced in this form; and
3. The application fee.



The applicant should reference the supporting document checklist provided on page 4 to ensure all needed information is provided in the application submission. Upon receipt of the application fee and materials, EPA will provide a confirmation email.

Application Form and Attachment Submittal: When finished, the application form and attachments must be uploaded to EPA's SharePoint site. To be granted access to the WIFIA SharePoint site, the applicant should email the WIFIA Underwriter assigned to the applicant with the names and emails of all staff that need access.

Application Fee Submittal: The applicant should use of Pay.gov to make electronic payments to EPA. In Pay.gov, the applicant can track its payments to EPA and schedule recurring or automatic payments. Although it is not mandatory to register for a user id to access and use Pay.Gov, registration is recommended to have access to all Pay.gov system functionality. To use Pay.gov, follow these instructions:

1. Access the Pay.gov system by going to <https://www.pay.gov> and search for WIFIA or click on the following hyperlink to directly launch the [WIFIA Loan Collection & Fees Form](#).
2. Provide the following information on the payment to ensure proper credit:
 - Remitter's contact phone number
 - Company/Organization Name as it appears on EPA document
 - Complete address, including city, state, zip code
 - Project Name
 - Loan Number: this is EPA WIFIA Loan number, NOT the remitter's number
 - From the "Payment Type" drop down menu select "Application Fee (Fee01)"
 - Other Description: please enter the EPA WIFIA Loan number followed by -FEE01, for example 16123DC-FEE01
3. Follow the remaining on-screen instructions to successfully process the payment to EPA.
4. Send an email to lvfc-grants@epa.gov and wifia_portfolio@epa.gov informing that a payment has been made.

The application fee may also be paid via FEDWIRE or by check sent to US EPA; Las Vegas Finance Center; 4220 S. Maryland Pkwy, Bldg C, Ste 503; Las Vegas NV 89119. For questions about payments, contact the US EPA Las Vegas Finance Center at (702)798-2485 or lvfc-grants@epa.gov. For detailed payment instructions, contact the WIFIA program.

Burden

The public reporting and recordkeeping burden for this collection of information is estimated to average 200 hours per response. Send comments on the Agency's need for this information, the accuracy of the provided burden estimates, and any suggested methods for minimizing respondent burden, including through the use of automated collection techniques to the Director, Regulatory Support Division, U.S. Environmental Protection Agency (2822T), 1200 Pennsylvania Ave., NW, Washington, D.C. 20460. Include the OMB control number in any correspondence. Do not send the completed form to this address.



Warning

Falsification or misrepresentation of information or failure to file or report information required to be reported may be the basis for denial of financial assistance by the Environmental Protection Agency. Knowing and willful falsification of information required to be submitted and false statements to a Federal Agency may also subject you to criminal prosecution. See, for example, 18 U.S.C. §1001.

Additional information is available at <https://epa.gov/wifia> and by contacting wifia@epa.gov.



SUPPORTING DOCUMENT CHECKLIST

The applicant should submit its completed application form plus all relevant supporting documents listed in the checklist as attachments.

Question	Supporting Document(s)*	Included
Application Fee – Refer to fee instructions on page 2		
Section A: Key Applicant and Loan Information* (No attachments)		
11. System for Award Management (SAM) registration	<ul style="list-style-type: none"> Screen shot verifying active SAM registration^{1*} 	<input checked="" type="checkbox"/>
Section B: Applicant Background		
5. Capital Improvement Planning Process	<ul style="list-style-type: none"> Current year and previous 3 years Capital Improvement Plans 	<input checked="" type="checkbox"/>
7. Liabilities	<ul style="list-style-type: none"> Liabilities Description 	<input checked="" type="checkbox"/>
8. System Condition	<ul style="list-style-type: none"> System Master Plan 	<input checked="" type="checkbox"/>
	<ul style="list-style-type: none"> System Condition Assessment 	<input checked="" type="checkbox"/>
10. Organization Chart	<ul style="list-style-type: none"> Organization Chart 	<input checked="" type="checkbox"/>
Section C: Financing Plan		
4. Preliminary Rating Letter	<ul style="list-style-type: none"> Preliminary Rating Letter* 	<input checked="" type="checkbox"/>
5. Audited Financial Statements	<ul style="list-style-type: none"> Audited Financial Statements (3 years)* 	<input checked="" type="checkbox"/>
6. Cash flow pro forma(s)	<ul style="list-style-type: none"> Cash flow pro forma* 	<input checked="" type="checkbox"/>
7. Rate Setting Process	<ul style="list-style-type: none"> Rate Studies 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Rate Schedules 	<input checked="" type="checkbox"/>
8. Flow of Funds	<ul style="list-style-type: none"> Flow of Funds 	<input checked="" type="checkbox"/>
9. Loan Agreement	<ul style="list-style-type: none"> Master Indenture 	<input checked="" type="checkbox"/>
	<ul style="list-style-type: none"> Bond Ordinance 	<input checked="" type="checkbox"/>
Section D: Federal Requirements		
1. National Environmental Policy Act (NEPA)/ Programmatic Environmental Assessment Questionnaire	<ul style="list-style-type: none"> Environmental Assessment (Draft or Final) 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Environmental Impact Statement (Draft or Final) 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Supporting Documentation 	<input checked="" type="checkbox"/>
	<ul style="list-style-type: none"> Programmatic Environmental Assessment Questionnaire 	<input checked="" type="checkbox"/>
2. SRF Environmental Review	<ul style="list-style-type: none"> SRF Findings 	<input type="checkbox"/>
	<ul style="list-style-type: none"> SRF Consultation Documentation 	<input type="checkbox"/>
4. Cross-Cutter Consultation Agencies	<ul style="list-style-type: none"> State Historic Preservation Officer 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Fish and Wildlife Service 	<input type="checkbox"/>
	<ul style="list-style-type: none"> National Marine and Fisheries Service 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Coastal Zone Management Agency 	<input type="checkbox"/>
	<ul style="list-style-type: none"> Other: Click or tap here to enter text.. 	<input type="checkbox"/>
5. Additional Permits	<ul style="list-style-type: none"> See Permitting Matrix 	<input checked="" type="checkbox"/>

¹ Applicants must have an active registration in SAM to do business with the Federal Government. Registration information is available at <https://sam.gov/SAM/>.



	<ul style="list-style-type: none"> Click or tap here to enter text. Click or tap here to enter text. 	<input type="checkbox"/> <input type="checkbox"/>
7. Additional Forms	<ul style="list-style-type: none"> EPA Form 4700-4 EPA Form 6600-06 SF-LLL 	<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
8. Uniform Act	<ul style="list-style-type: none"> Narrative of Compliance 	<input checked="" type="checkbox"/>
Section E: Contract Information (Refer to Supplemental Spreadsheet)		
Complete Section E of spreadsheet and indicate which of the following attachments are included:		<input type="checkbox"/>
<ul style="list-style-type: none"> (1) Project Map Preliminary Engineering Report (2) Preliminary Design Report (3) Planning Document (4) Executed Contract Documents (5) Procurement Documents (6) Detailed project schedule(s)* (7) Engineer's Cost Estimate associated with detailed project scope* (8) Existing Operation and Maintenance Plan (9) Professional Service Contract or similar evidence of new Operation and Maintenance Plan to be developed (10) Risk Mitigation Plan/Matrix (11) Project Management Plan (12) Evidence of Experience with Similar Projects (13) Draft of Final Bid Specifications with required language Sample of Final Bid Specifications with required language 		<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>
Certifications		<input checked="" type="checkbox"/>

*Required



APPLICATION FORM

Provide the following information in this form. Narrative answers can reference source documents (include the name of the document and relevant pages or sections). Provide any referenced documents as attachments.

Section A: Key Applicant and Loan Information

1. Legal name of prospective borrower:

City of Portland Water Bureau

2. Project name *(for purposes of identification assign a short name to the project)*:

Bull Run Treatment Program

- Improved Corrosion Control Treatment (ICCT) Project
- Pipelines Project
- Filtration Facility Project

3. Estimated total eligible project costs (in dollars):

\$1.483 Billion

- ☒ Check here if total eligible project costs have changed since the letter of interest submittal

4. Requested amount of the WIFIA loan (in dollars):

\$726.6 Million

5. Anticipated Closing Date and what is driving date: Portland Water Bureau would like to close as soon as possible to take advantage of current low interest rates.

6. Applicant Contact Information

Team Member	Name and Title	Email	Phone Number
Authorized Signatory (City Debt Manager)	Matt Gierach	Matthew.Gierach@portlandoregon.gov	503-823-6822
Water Bureau Administrator	Michael Stuhr	Michael.Stuhr@portlandoregon.gov	503-823-1517
WIFIA Point of Contact	David Peters	David.Peters@portlandoregon.gov	503-823-2003



(Treatment Program Director)			
Water Bureau Finance Manager	Cecelia Huynh	Cecelia.Huynh@portlandoregon.gov	503-823-7417
Financial Advisor	Duncan Brown	BrownD@pfm.com	503-837-8445
Bond Counsel	Carol McCoog	CMcCoog@hawkins.com	503-402-1323
Deputy Program Director	Michelle Cheek	Michelle.Cheek@portlandoregon.gov	503-823-4790
Environmental Review Contact	Christopher Bowker	Christopher.Bowker@portlandoregon.gov	503-823-7464
Other: Improved Corrosion Control Treatment Project Manager	Tony Re	Tony.Re@portlandoregon.gov	503-823-7400
Other: Filtration Facility Project Manager	Lyda Hakes	Lyda.Hakes@portlandoregon.gov	503-823-4713
Other: Pipeline Project Manager	Ken Ackerman	Ken.Ackerman@portlandoregon.gov	503-823-7613

7. Will the project financed by the WIFIA loan create pre- and post-construction jobs?

☒ Yes

☐ No

If yes, provide approximately how many and explain how this number was calculated.

The Water Bureau estimates that approximately 18 jobs will be created as part of the program management contract, 17 jobs will be created as part of the filtration facility design contract, 20 jobs will be created as part of the pipeline design contract, and approximately 4 jobs will be created as part of the ICCT design contract over the life of the projects. This is based on the program management cost or each project's design contract cost, an assumed average hourly rate of \$200, and a full-time-equivalent translating to 2080 hours per year. If you account for vacation, holidays, etc this translates to approximately 1760 hours per year, and the estimated jobs created increases. This is approximately 335 -405 FTEs associated with program management and design contracts.

To assist in the estimation of construction jobs created under these projects, the Water Bureau reached out to Prosper Portland, the economic and urban development agency for the City of Portland. Prosper Portland focuses on building an equitable economy by carrying out a comprehensive range of economic development programs that support small business, improve access to workforce training, and create jobs for Portland residents. Proposer Portland recommended using the economic modeling application IMPLAN to estimate job creation.



IMPLAN was used to model direct job creation as a result of capital investment. IMPLAN estimated 7,500 direct construction jobs will be associated with a hard cost investment of \$644 million.

The Water Bureau estimates that approximately 10-13 permanent full-time jobs will be created by the projects post-construction. These are anticipated to be staff for operation and maintenance of these facilities.

8. Approximately how much in savings is expected with the WIFIA loan as compared to a bond issuance?

Based on rate projections, the WIFIA loan will provide approximately \$350 million of debt service savings over the term of the loan.

9. Employer/taxpayer identification number (EIN/TIN):

93-6002236

10. Dun and Bradstreet Data Universal Number System (DUNS) number:

797968682

11. Is the applicant registered in the System for Award Management (SAM)? If yes, provide

☒ Yes

☐ No



Section B: Applicant Background

1. Describe the authorizing actions required by the applicant in order to enter into a loan agreement with the WIFIA program (e.g., board vote, local vote, ordinance).

Portland City Council would need to approve an ordinance authorizing funding through the WIFIA program for the Bull Run Treatment Projects. Separately from the WIFIA authorization, additional water revenue bonds are expected to finance a portion of project costs will also require Council authorization.

2. Disclose any current, threatened, or pending litigation involving the applicant related to permitting, public involvement, environmental irregularities, construction defects, securities fraud, conflict of interest, failure to perform under a State or Federal contract, or other charges which may reflect on the applicant's financial position or ability to complete the project(s).

There are no current, threatened, or pending litigations involving the applicant.

3. List the historical, if available, or projected customer concentration analysis, including a breakdown of customers by class (residential, non-residential, commercial, bulk, etc.), usage, and revenues for the past 12 months and a list of the top ten (10) customers by percentage of revenues.

Historical customer concentration analysis for the 2019 calendar year.

	Residential Single Family	Residential Multi-Family	Commercial	Wholesale	Total
Number of Accounts	159,186	13,120	20,457	24	192,787
Total Usage	9,031,862	4,108,424	9,404,534	14,139,673	36,684,493
Water Revenue	\$77,185,300	\$24,911,8212	\$61,325,812	\$20,325,347	\$183,748,280

Table 1: Historical customer concentration analysis for the 2019 calendar year. Total usage is in centum cubic feet (CCF).

Top ten customers for Fiscal Year (FY) 2018-19.

Top Ten Customers	Total Usage (ccf)	% of Total Usage	Revenue	% of Total Revenue
Bureau of Parks	312,165	1.2%	\$1,428,874	0.7%
Siltronic Corp	268,204	1.1%	\$1,307,549	0.6%
Oregon Health and Sciences University	237,396	0.9%	\$1,193,635	0.6%
Precision Castparts	228,554	0.9%	\$1,124,833	0.5%
Port of Portland	187,500	0.7%	\$986,802	0.5%



Top Ten Customers	Total Usage (ccf)	% of Total Usage	Revenue	% of Total Revenue
Darigold, Inc.	162,117	0.6%	\$794,332	0.4%
Evraz, Inc.	151,520	0.6%	\$742,389	0.4%
Portland Public Schools	118,468	0.5%	\$738,843	0.4%
Portland State University	102,454	0.4%	\$559,645	0.3%
Housing Authority of Portland	93,263	0.4%	\$477,040	0.2%
Total	1,861,641	7.3%	\$9,353,941	4.5%

Table 2: Top ten users for FY 2018-19. Total usage is in centum cubic feet. (CCF). Unaudited FY 2018-19 figures.

4. Provide the average residential customer combined water and sewer rates as a percentage of Median Household Income.

For FY 2019-20, the typical monthly single-family residential water bill is \$42.14 and the sewer/stormwater bill is \$75.69. The total monthly combined bill is \$117.83. In 2019 the median household income (MHI) for a two-person home was about \$5,860 per month. That makes the combined typical monthly bill approximately 2% of MHI.

5. Describe the applicant's capital improvement planning process. Include a capital improvement plan, other planning documents, and capital budgets produced in the current year and previous three (3) years as attachments.

As stated in the adopted budget, most Water Bureau project proposals are identified through long-range planning studies such as master plans and asset specific analyses of systems, service areas, or groups of assets. Water Bureau decision makers weigh individual projects against wider Water Bureau issues and requirements. If projects are recommended to move forward, planning staff conducts detailed studies. The Water Bureau uses industry best practices in benefit-cost analysis and risk assessment to identify and weigh project alternatives.

Project initiation and planning includes several decision-making points. For major projects, an initial concept report includes evaluations of project alternatives and recommendations. Water Bureau senior management uses the initial findings to narrow alternatives and approve next steps. If approved, a project undergoes more formal evaluation in a Project Validation Report (PVR). The PVR includes a risk assessment, which weighs proposed solutions and identifies benefits, followed by a benefit-cost analysis. The Water Bureau selects and ranks capital projects with consideration for the magnitude and necessity of the project. Each year, the Water Bureau engages the public in developing its budget. The Portland Utility Board (PUB), which advises City Council, meets monthly throughout the year to oversee financial plans, capital improvements, annual budget development, and rate-setting for the City's water, sewer and stormwater services. The PUB also reviews key Water Bureau plans,



initiatives, and processes, such as preparations for seismic resilience and efforts to expand the Financial Assistance Expansion Program.

The nonprofit Citizens' Utility Board (CUB), attends the monthly PUB meetings as well. The mission of CUB is to "represent the interests of ...residential utility customers." CUB's Advocacy Director reviews Water Bureau materials, including financial reports, the requested budget, and project planning documents. The CUB provides evaluations and recommendations directed to Portland City Council, Water Bureau leadership, and the City Budget Office.

The City seeks additional input from the public during the Citywide budget process. The budget process includes City Council work sessions on the budget, a rate hearing, and postings on the Water Bureau website and social media channels.

Included in the appendix are the following supporting documents:

- Capital Improvement Program Annual Report (CIPAR) for fiscal year (FY) 2015-2016
- CIPAR for FY 2016-2017
- CIPAR for FY 2017-2018
- City of Portland Adopted Budget for fiscal year (FY) 2016-2017
- City of Portland Adopted Budget for fiscal year (FY) 2017-2018
- City of Portland Adopted Budget for fiscal year (FY) 2018-2019
- City of Portland Adopted Budget for fiscal year (FY) 2019-2020
- Portland Water Bureau Requested Budget for fiscal year 2020-21

6. Describe accounts receivables outstanding, including the 12-month trailing average of on-time payment amounts as a percentage of amount billed per period. Include a brief description of the process for collections.

Most water bills are collected with the payment for sewer and stormwater service. When a bill for water, sewer, or stormwater service becomes delinquent (21 days after billing) a reminder notice is sent on day 35. Additional notices are sent during an eight-week period. After eight weeks, services are terminated if the bill has not been paid. If the customer is still in arrears at the termination date, but is in contact with the Water Bureau, the City may set up special payment arrangements. Setting up payment arrangements rather than shutting off water service may be in the best interest of both the City and the customer to continue water service. Uncollectable accounts made up less than one percent of water sales revenue in FY 2018-19.

The Water Bureau does not specifically track the 12-month trailing average of payments relative to the amount billed for that period. Two supplemental files are included in section B Q6 that support the 12-month rolling average of cash collection to billing at 99.8% through February 2020.



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7. Describe or provide an attachment with the status of liabilities and funding for pension contributions, defined benefits, and other post-employment benefits.

The Official Statement (OS) for the 2020 Second Lien Water Revenue Refunding Bonds includes a discussion of litigation matters (page 64) and Citywide pension plans (Appendix D-4 of the OS). The OS is included as a supplemental document.

8. Provide the latest system condition assessment report or master plan available for the water and/or wastewater system this project supports. If a report or plan is unavailable, provide a brief description of significant facilities (i.e. pump stations or treatment plants) within the system, including construction and major rehabilitation dates, and any asset management processes utilized for the system.

Portland's water system is extensive with many different types and cohorts of assets. No single condition assessment report or master plan covers the entire system. Rather, these plans are aggregated into discrete groups that share commonalities, such as geographic area or asset type. The following documents have been provided that collectively function as a system-wide condition assessment report and/or master plan and that PWB considers to be relevant to the projects included in this WIFIA application. Other reports exist, which the Water Bureau believes to be less relevant to the nature of this question, and are available upon request if additional information is needed.

Included in the appendix are the following supporting documents:

Plans

- 2001 Infrastructure Master Plan (IMP)
- 2007 Distribution System Master Plan
- 2014 Headworks Facilities Plan (rendered partially obsolete by revocation of LT2 variance; Redacted)
- 2017 Water System Seismic Study Executive Summary
- Draft 2020 Supply System Master Plan (will replace 2001 IMP) is anticipated to be available in June 2020.

Condition Assessment Reports

- 2012 Conduits Asset Management Plan (AMP) (Redacted)
- 2012 Transmission Mains AMP (Redacted)
- 2012 Distribution-Transport Mains (Redacted)
- 2013 Inventory and Condition Report
- 2017 Bull Run Treatment AMP (Redacted)
- 2018 Conduit 3 Condition Assessment Report (Redacted)
- 2019 Conduit 2 Condition Assessment Report (Redacted)



9. If applicable, describe community outreach efforts conducted to date and planned for the project(s). Include community meetings, outreach sessions and groups contacted.

The Water Bureau has been committed to keeping the project's neighboring community members informed and involved throughout the project.

Please see Section B, Question 20 from the Letter of Interest for general information and an overview of outreach efforts conducted up to approximately June 2019.

Since June 2019, the Water Bureau began to meet with the project's neighbors with a goal to foster open communication by identifying and resolving community concerns early in the project. This has been a learning period for staff to understand neighbor concerns, as well as better understand how and when neighbors would prefer to get information. To kick off this process, a weeknight neighborhood information session was held in June at a local grange hall. In July, a family-friendly neighbor BBQ with Q&A session was held near the project site at Dodge Park. Following this a Saturday morning open house was held. Incorporating a variety of meeting places, styles, and times, the Water Bureau aimed to ensure all neighbors could effectively participate in the outreach process.

After evaluating feedback, it was determined that the best way to keep neighbors engaged and encourage communication would be to establish a Site Advisory Group with ongoing meetings occurring for a year, beginning October 2019. A Site Advisory Group will help develop a Bull Run Filtration Good Neighbor Agreement by providing an independent community perspective on the facility design, construction, and ongoing operation.

More information on the Site Advisory Group can be found online under Site Advisory Group Meetings, at:

<https://www.portlandoregon.gov/water/article/743680>

In addition to community outreach with the immediate neighbors, the Water Bureau continues to inform City staff, ratepayers, wholesalers, and others via the Water Bureau's website, presentations, and media coverage. Information on project news, meetings and events, educational or informative material such as blogs, newsletters, and list outreach history can be found online at:

<https://www.portlandoregon.gov/water/76428>

Project briefing presentations have been given to the following groups or organizations:

- East Multnomah Soil and Water Conservation District
- Multnomah County (Planning and Government Relations)
- Clackamas County (Planning and Government Relations)
- NW Steelheaders (Sandy River Chapter)
- City of Gresham (Government Relations and Public Works)
- Johnson Creek Watershed Council
- East Multnomah Soil and Water Conservation District



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- City of Portland Bureau of Environmental Services
 - City of Portland Tribal Liaison
 - City of Portland Water Bureau (other work groups)
 - Partners (including representatives from: Latino Network, Self Enhancement Incorporated, Human Solutions, Impact Northwest, Native American Youth and Family Center, IRCO Asian Family Services, IRCO Africa House, and El Programa Hispano Catolico)

For Project and Corporate Financing Transactions Only:

10. Provide a project-level organizational chart, include the major parties involved in planning, owning, financing, providing supply and/or offtake, constructing, operating, and/or maintaining the project(s). Include the major service contractors that have been, or will be, retained for the project (e.g., architects, developers, engineers, attorneys, financial advisors and underwriters, environmental consultants). Please also disclose if there is a financial relationship between the project sponsor and any key project partners.

See organizational charts provided and located under Section B Q10. These projects do not have any financial relationship between project sponsor and any key project partners/question not applicable.



Section C: Financing Plan

1. Provide a sources and uses of funds table for the construction period(s), including the proposed WIFIA assistance. For applicants other than Public Entities, please identify the amount and source(s) of project equity, letters of credit, and other sources of debt as applicable. Note any ineligible project costs. More information about eligible costs is available in the [WIFIA program handbook](#). If other debt is being issued, describe the timing and certainty.

Sources Category	Estimated Dollar Value
1. WIFIA Loan (cannot exceed 49% of eligible costs)	\$726.6 million
2. Revenue Bonds	\$622.1 million
3. SRF Loan	N/A
4. Borrower Cash	\$94.3 million
5. Previously Incurred Eligible Costs*	\$39.9 million
6. Other (please specify) Click or tap here to enter text.	N/A
TOTAL SOURCES	\$1,482.9
Uses Category	Estimated Cost
1. Construction	\$675.7 million
2. Design	\$62.3 million
3. Planning	\$67.9 million
4. Land Acquisition	\$1.6 million
5. Other Capital Costs (including City services)	\$32.4 million
6. Contingency	\$410.0 million
7. Total Capital Costs	\$1,249.9 million
8. Financing Costs	\$49.2 million
8. Ineligible Costs (if applicable)	N/A
9. Other (inflation/escalation)	\$127.2 million
10. Other (Capitalized Overhead & Interest)	\$56.5 million
TOTAL USES	\$1,482.9 million

*Previously Incurred Eligible Costs are project related costs incurred prior to the WIFIA loan's execution. Please see the WIFIA Program Handbook for additional information on Eligible Costs.

2. Describe the proposed credit terms of the WIFIA assistance. Complete the following table and include additional text below.

Credit Term	Proposed
Lien Priority	<input type="radio"/> Senior Lien <input checked="" type="radio"/> Subordinate Lien: all project debt having the same priority as the WIFIA loan.



	Subordinate Lien: not all project debt has the same priority as the WIFIA loan. A springing lien will be used in a bankruptcy related event.
Security Pledge	Water revenue
WIFIA Loan Maturity Date	FY 2061-62

3. Describe all dedicated revenue sources to be used to repay project financing, the expected rate(s), and the base to which such rates will be applied (e.g. average monthly consumption). Include rate covenant requirements that may affect these revenue sources.

Water revenues will be the sole source for all project financing. The rate model, included as a supplemental document for question 6 below, includes the projected rate increases on the Summary tab. The assumption is that increases will continue to be applied uniformly to the volumetric and base rates. Rate covenants are expected to be consistent with the Second Lien Bond Rate Covenant as described in the OS (page 8). The Master Second Lien Water System Revenue Bond Declaration is included in the OS (Appendix A of the OS). The OS is included as a supplemental document in section B Q7.

4. Provide the file name for and submit a new or recent preliminary rating letter from a nationally recognized statistical rating organization opining on the proposed WIFIA financing and describing the applicant's ability to obtain an investment grade rating on the project's senior obligations. An existing rating may be used in place of a preliminary rating letter if it is recent and actively maintained. The applicant should discuss using an existing rating with its transaction team prior to application submittal.

The Moody's Investor Service credit opinion for the October 2019 bond sale is included as a supplemental document.

5. Provide the year-end audited financial statement for the applicant for past three (3) years, as an attachment, and enter the file names below.

The Certified Annual Financial Reports for the last three years are included as supplemental documents.

6. Attach the financial model for the project(s) and provide its file name below. All amounts should be expressed on a cash (year-of-expenditure) basis and should clearly show assumptions used to arrive at such estimates. A sample pro forma can be found [here](#). The pro forma(s) should include:

- Details on projected revenues, operations and maintenance expense, capital expenditures and other key line items. Include rate changes and inflation factors as appropriate;



- b. Estimated total debt service coverage. Also show senior and junior lien debt coverages separately, if applicable;
- c. Disbursement and repayment schedule for all debt sharing the WIFIA security, addressing, as applicable, senior- and junior-lien debt. Same lien debt amounts may be aggregated;
- d. Anticipated disbursement and repayment schedule of the requested WIFIA loan.

The rate model is included as a supplemental document and includes rate projections through FY 2069-70. Rate planning is done on a cash basis, so all amounts in the model reflect that. The Report tab includes a Statement of Sources and Uses of Funds (prompt a.), Projected Debt Service Coverage report (prompt b.), as well as Outstanding Debt and Annual Debt Service reports (prompt c.). A disbursement and repayment schedule (titled WIFIA Schedule) are included as a supplemental document and align with the assumptions in the rate model for the WIFIA loan.

7. Describe the rate setting process, including regulations governing rate setting, approval requirements, timing for implementation, etc. Include 10 years of rate schedule history for the applicant and specify if recommended rate increases were ever rejected.

The rate setting process is done annually in tandem with the budget setting process. Both are described in the OS (page 35) which is included as a supplemental document in Section B Q7.

8. If available, provide a flow of funds diagram or description and summarize key obligations in the flow of funds.

The fund structure is described in the OS (page 50) which is included as a supplemental document in section B Q7. There is also a PowerPoint slide that illustrates the flow of funds and expenses included as a supplemental document titled Overview of Water Bureau Funds.

9. Describe what document(s) will be the starting point for the WIFIA loan agreement:

- ☒ Standard WIFIA loan agreement.
- ☒ Existing Master Indenture or Bond Ordinance. Included as an attachment is the Existing Master Indenture or Bond Ordinance.
- ☐ Customized loan agreement for the project(s) and applicant.
- ☐ Other.

Additional notes for loan agreement: The Master Second Lien Water System Revenue Bond Declaration is included in the OS (Appendix A of the OS) and is included as a supplemental document in



Section B Q7. A copy of the non-executed ordinance authorizing the WIFIA loan is included as a supplemental document in Section C Q9.



Section D: Federal Requirements Compliance

1. Describe the status of the environmental review in accordance with the National Environmental Policy Act (NEPA). If applicable, submit the Programmatic Environmental Assessment (PEA) Questionnaire form, Environmental Assessment (draft or final), or Environmental Impact Statement (draft or final),

WIFIA is the only federal nexus that would require an environmental review in accordance with National Environmental Policy Act (NEPA). As part of the WIFIA loan application process, a Programmatic Environmental Assessment (PEA) Questionnaire form has been prepared and is included as a supplemental document.

2. Describe the status of the SRF environmental review, if applicable. Submit the available SRF Findings and/or SRF consultation documentation.

Not applicable, these projects are not requesting or using SRF assistance.

3. If the environmental review for the project is underway or complete, complete the following table to identify the anticipated impacts and mitigations. Mark a "X" in the appropriate column to identify the impacts anticipated for each resource type and, if applicable, provide a short explanation of the mitigations.

Resource Type	Anticipated Impacts			Mitigations
	No Impact	Less Than Significant Impact	Potentially Significant Impact	
Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See PEA attached in response to Section D Q1.
Biological	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See PEA attached in response to Section D Q1.
Cultural	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	See PEA attached in response to Section D1.
Others as Applicable	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Enter text here.

4. Identify any agencies with which cross-cutter consultations have been undertaken for the project and include supporting documentation as attachments. (Check all that apply)

- ☐ State Historic Preservation Officer (see discussion below)
- ☐ Fish and Wildlife Service
- ☐ National Marine and Fisheries Service
- ☐ Coastal Zone Management Agency
- ☐ Other



The Water Bureau has subcontracted with Heritage Research Associates, Inc. (as part of Brown & Caldwell's contract) which includes archeological and historic preservation specialists to provide cultural resource assessments. Archeological and historical studies in compliance with Section 106 have been prepared for the project but have not yet been submitted to SHPO for review and concurrence pending a federal nexus.

The Water Bureau does not anticipate being impacted by the other identified cross-cutter agencies.

5. Describe the status of any additional permits and approvals that the project(s) may require. Add additional rows as needed. If providing permit information as attachments, list the filenames below.

Permitting information for ICCT is shown below.

Major Permits or Approvals Required	Approving Authority	Status	Expected Approval Date
ICCT Land Use	Multnomah County	Approved	Enter date here.
ICCT Building Permits	Multnomah County	In Review Process	5/15/2020
ICCT DEQ 1200-CN	State of Oregon DEQ	Approved	Enter date here.
ICCT Right of Way	Multnomah County	In Progress	7/1/2020
ICCT OHA Review	State of Oregon	Submitted for Review	5/1/2020

Permitting information for the Filtration Facility and pipelines is included in the Bull Run Treatment Program Permit Matrix (Confidential). See Attachment B of the PEA which is provided as supplemental documentation for Section D Q1.

6. If applicable, specify if a new or relocated discharge, either permanent or temporary, to surface or groundwater is expected or new or relocated water intakes are expected.

Not applicable; the filtration facility will be a zero-discharge facility and no new or relocated intakes are expected.

7. Additional forms will need to be completed and submitted prior to closing the WIFIA loan. Check all that are included with the application:

- ☐ ~~Civil Rights Pre-Award Compliance Review Report: EPA Form 4700-4 (The Water Bureau advised this form no longer needed)~~
- ☒ Certification regarding lobbying: [EPA Form 6600-06](#)
- ☐ Disclosure of Lobbying Activities: [SF-LLL](#)



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8. If the project(s) include acquisition of real property, identify how the project complies or will comply with Uniform Relocation Assistance and Real Property Acquisition Policies Act (Uniform Act).

The ICCT Project includes updating existing Water Bureau easements and acquiring easements in new areas.

The Filtration Facility is being planned on a 90-acre parcel of property the Water Bureau has owned since 1975. The existing site easily accommodates Water Bureau's treatment facility plans.

Pipelines to connect the new facility to the existing water system are not yet designed. Due to the size of the pipeline and narrow width of adjacent rights of way it is assumed the project will include several temporary and permanent easements along chosen routes.

The pipeline project will include at least two pipeline interties. Interties will be situated in strategic locations on the chosen pipeline routes. It is assumed the project will include easements or fee takings at the intertie sites.

Property acquisition will proceed according to Chapter 35 of Oregon Revised Statutes – Eminent Domain; Public Acquisition of Property. The statutes meet or exceed the standards set in the Uniform Act. The Water Bureau has subcontracted with Universal Field Services, Inc. (as part of Brown & Caldwell's contract) to administer the Water Bureau's acquisition effort in accordance with state and federal law.

Section E: Contract Information

Complete the "Section E: Supplemental Spreadsheet." Instructions for each column are available on the first tab labeled "Instructions – Section E". Provide answers for each project in the application using separate rows designated, "Contract 1, Contract 2, etc."



CERTIFICATIONS

1. *National Environmental Policy Act:* The applicant acknowledges that any project receiving credit assistance under this program must comply with all provisions of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.)
2. *American Iron and Steel:* The applicant acknowledges that any project receiving credit assistance under this program for the construction, alteration, maintenance, or repair of a project may only use iron and steel products produced in the United States and must comply with all applicable guidance.
3. *Prevailing Wages:* The applicant acknowledges that all laborers and mechanics employed by contractors or subcontractors on projects receiving credit assistance under this program shall be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with sections 3141-3144, 3146, and 3147 of Title 40 (Davis-Bacon wage rules).
4. *Credit Ratings:* This applicant has received a preliminary rating opinion letter(s) on the project's senior debt instrument, from one or more rating agencies. These letters or ratings are attached.
5. *Credit Processing Fees:* The undersigned certifies that it will reimburse EPA for its costs incurred in negotiating the credit agreement, irrespective of whether the credit agreement is executed.
6. *Lobbying:* Section 1352 of Title 31, United States Code provides that none of the funds appropriated by any Act of Congress may be expended by a recipient of a contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, or an employee of a Member of Congress in connection with the award or making of a Federal contract, grant, loan, or cooperative agreement or the modification thereof. EPA interprets this provision to include the use of appropriated funds to influence or attempt to influence the selection for assistance under the WIFIA program.

WIFIA applicants must file a declaration: (a) with the submission of an application for WIFIA credit assistance; (b) upon receipt of WIFIA credit assistance (unless the information contained in the declaration accompanying the WIFIA application has not materially changed); and (c) at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any declaration previously filed in connection with the WIFIA credit assistance.

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement,



the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

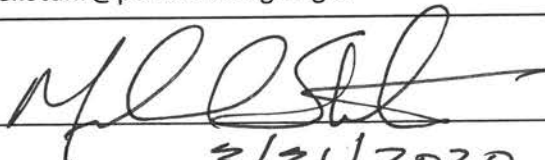
This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

7. *Debarment*: The undersigned further certifies that it is not currently: 1) debarred or suspended from participating in any Federal programs; 2) formally proposed for debarment, with a final determination still pending; or 3) indicted, convicted, or had a civil judgment rendered against it for any of the offenses listed in the Regulations Governing Debarment and Suspension (Governmentwide Nonprocurement Debarment and Suspension Regulations: 2 C.F.R. Part 180 and Part 1532).
8. *Default/Delinquency*: The undersigned further certifies that neither it nor any of its subsidiaries or affiliates are currently in default or delinquent on any debt or loans provided or guaranteed by the Federal Government.
9. *Other Federal Requirements*: The applicant acknowledges that it must comply with all other federal statutes and regulations, as applicable. A non-exhaustive list of federal cross-cutting statutes and regulations can be found at : <https://www.epa.gov/wifia/wifia-resources#complianceanchor>.
10. *Signature*: By submitting this application, the undersigned certifies that the facts stated and the certifications and representations made in this application are true, to the best of the applicant's knowledge and belief after due inquiry, and that the applicant has not omitted any material facts. The undersigned is an authorized representative of the applicant.

Name: Michael Stuhr, PE
Title: Director
Organization: Portland Water Bureau
Street Address: 1120 SW 5th Ave Suite 405
City/State/Zip: Portland, Oregon 97204
Phone: 503-823-1517
E-mail: Michael.Stuhr@portlandoregon.gov

Signature: _____

Date Signed: _____


3/31/2020



KEY DEFINITIONS

- (a) *Administrator* means the Administrator of EPA.
- (b) *Applicant* means the entity submitting the application for WIFIA credit assistance. Only prospective borrowers that are invited to submit a WIFIA application become applicants. The following entities are eligible to receive credit assistance: a corporation, a partnership, a joint venture, a trust, a Federal, State, or local government, a tribal government or consortium of tribal governments, and a State infrastructure financing authority.
- (c) *Community water system* has the meaning given the term in section 1401 of the Safe Drinking Water Act (42 U.S.C. 300f).
- (d) *Credit assistance* means a secured loan or loan guarantee under WIFIA.
- (e) *Credit agreement* means a contractual agreement between EPA and the project sponsor (and the lender, if applicable) that formalizes the terms and conditions established in the term sheet (or conditional term sheet) and authorizes the execution of a secured loan or loan guarantee.
- (f) *Eligible project costs* mean amounts, substantially all of which are paid by, or for the account of, a applicant in connection with a project, including the cost of:
- (1) Development-phase activities, including planning, feasibility analysis (including any related analysis necessary to carry out an eligible project), revenue forecasting, environmental review, permitting, preliminary engineering and design work, and other preconstruction activities;
 - (2) Construction, reconstruction, rehabilitation, and replacement activities;
 - (3) The acquisition of real property or an interest in real property (including water rights, land relating to the project, and improvements to land), environmental mitigation (including acquisitions pursuant to section 33 U.S.C. §3905(7)), construction contingencies, and acquisition of equipment; and
 - (4) Capitalized interest necessary to meet market requirements, reasonably required reserve funds, capital issuance expenses, and other carrying costs during construction.
- (g) *Investment-grade rating* means a rating category of BBB minus, Baa3, bbb minus, BBB (low), or higher assigned by a nationally recognized statistical rating organization (NRSRO) to project obligations offered into the capital markets.
- (h) *Iron and steel products* means the following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.
- (i) *Nationally Recognized Statistical Rating Organization (NRSRO)* means a credit rating agency identified and registered by the Office of Credit Ratings in the Securities and Exchange Commission.



(j) *Project* means:

- (1) 1 or more activities that are eligible for assistance under section 603(c) of the Federal Water Pollution Control Act (33 U.S.C. 1383(c)), notwithstanding the public ownership requirement under paragraph (1) of that subsection.
- (2) 1 or more activities described in section 1452(a)(2) of the Safe Drinking Water Act (42 U.S.C. 300j-12(a)(2)).
- (3) A project for enhanced energy efficiency in the operation of a public water system or a publicly owned treatment works.
- (4) A project for repair, rehabilitation, or replacement of a treatment works, community water system, or aging water distribution or waste collection facility (including a facility that serves a population or community of an Indian reservation).
- (5) A brackish or sea water desalination project including chloride control.
- (6) A managed aquifer recharge project, a water recycling project, or projects to provide alternative water supplies to reduce aquifer depletion.
- (7) Acquisition of real property or an interest in real property—
 - (A) If the acquisition is integral to a project described in paragraphs (1) through (5); or
 - (B) Pursuant to an existing plan that, in the judgment of the Administrator or the Secretary, as applicable, would mitigate the environmental impacts of water resources infrastructure projects otherwise eligible for assistance under this section.
- (8) A project to prevent, reduce, or mitigate the effects of drought, including projects that enhance the resilience of drought-stricken watersheds.
- (9) A combination of projects, each of which is eligible under paragraph (1) or (2), for which a State infrastructure financing authority submits to the Administrator a single application.
- (10) A combination of projects secured by a common security pledge, each of which is eligible under paragraph (1), (2), (3), (4), (5), (6), or (7), for which an eligible entity, or a combination of eligible entities, submits a single application.

(k) *Public entity* means:

- (1) a Federal, State, or local Governmental entity, agency, or instrumentality; or
- (2) a Tribal Government or consortium of Tribal Governments.

(l) *Publicly sponsored* means the applicant can demonstrate, to the satisfaction of the Administrator that it has consulted with the affected State, local or Tribal Government in which the project is located, or is otherwise affected by the project, and that such government supports the proposed project. Support can be shown by a certified letter signed by the approving municipal department or similar agency, mayor or other similar designated authority, local ordinance, or any other means by which local government approval can be evidenced.

(m) *Small Community* means a community with a population of no more than 25,000 individuals.

(n) *State* means any one of the fifty states, the District of Columbia, Puerto Rico, or any other territory or possession of the United States.



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- (o) *State infrastructure financing authority* means the State entity established or designated by the Governor of a State to receive a capitalization grant provided by, or otherwise carry out the requirements of, title VI of the Federal Water Pollution Control Act (33 U.S.C. 1381 et. seq.) or section 1452 of the Safe Drinking Water Act (42 U.S.C. 300j-12).
- (p) *Term sheet* means a contractual agreement between EPA and the project sponsor (and the lender, if applicable) that sets forth the key business terms and conditions of a Federal credit instrument. Execution of this document represents a legal obligation of budget authority.
- (q) *Treatment works* has the meaning given the term in section 212 of the Federal Water Pollution Control Act (33 U.S.C. 1292).
- (r) *WIFIA* means the Water Infrastructure Finance and Innovation Act of 2014, Pub. L. 113-121, 128 Stat, 1332, codified at 33 U.S.C. §§ 3901-3914.